

2 **HB 2335** - S AMD - 1028
3 By Senator Haugen

4 PULLED 3/12/98

5 On page 7, after line 3, insert the following:

6 "NEW SECTION. **Sec. 7.** A new section is added to chapter 82.04 RCW
7 to read as follows:

8 (1) Notwithstanding RCW 82.04.220 through 82.04.290, upon every
9 person engaging in business within this state and whose principal place
10 of business is within a distressed county, the amount of tax with
11 respect to such business shall be equal to the value of the gross
12 income of the business multiplied by the rate 0.138 percent.

13 (2) For purposes of this section, "distressed county" means any
14 county in which the average level of unemployment for the previous
15 three years exceeds the average state unemployment for those years by
16 twenty percent.

17 **Sec. 8.** RCW 82.04.290 and 1997 c 7 s 2 are each amended to read as
18 follows:

19 (1) Upon every person engaging within this state in the business of
20 providing international investment management services, as to such
21 persons, the amount of tax with respect to such business shall be equal
22 to the gross income or gross proceeds of sales of the business
23 multiplied by a rate of 0.275 percent.

24 (2) Upon every person engaging within this state in any business
25 activity other than or in addition to those enumerated in RCW
26 82.04.230, 82.04.240, 82.04.250, 82.04.255, 82.04.260, 82.04.270,
27 (~~and~~) 82.04.280, and section 7 of this act, and subsection (1) of
28 this section; as to such persons the amount of tax on account of such
29 activities shall be equal to the gross income of the business
30 multiplied by the rate of 1.5 percent.

31 This section includes, among others, and without limiting the scope
32 hereof (whether or not title to materials used in the performance of
33 such business passes to another by accession, confusion or other than
34 by outright sale), persons engaged in the business of rendering any
35 type of service which does not constitute a "sale at retail" or a "sale

1 at wholesale." The value of advertising, demonstration, and
2 promotional supplies and materials furnished to an agent by his
3 principal or supplier to be used for informational, educational and
4 promotional purposes shall not be considered a part of the agent's
5 remuneration or commission and shall not be subject to taxation under
6 this section."

7 Renumber the sections consecutively and correct any internal
8 references accordingly.

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12 On page 1, on line 3 of the title, strike "and 82.04.440; adding a
13 new section to chapter 82.04 RCW" and insert "82.04.290, and 82.04.440;
14 adding new sections to chapter 82.04 RCW"

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EFFECT: Reduces B&O tax rates on all businesses in distressed
counties to 0.138%.